

Highly Confidential - Subject to Further Confidentiality Review

Page 1

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

IN RE: NATIONAL	)	
PRESCRIPTION	)	MDL No. 2804
OPIATE LITIGATION	)	
_____	)	Case No.
	)	1:17-MD-2804
	)	
THIS DOCUMENT RELATES	)	Hon. Dan A.
TO ALL CASES	)	Polster

THURSDAY, NOVEMBER 8, 2018

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER  
CONFIDENTIALITY REVIEW

- - -

Videotaped deposition of Steven  
Mills, held at the offices of BARTLIT BECK  
HERMAN PALENCHAR & SCOTT LLP, 54 West  
Hubbard, Suite 300, Chicago, Illinois,  
commencing at 9:07 a.m., on the above date,  
before Carrie A. Campbell, Registered  
Diplomate Reporter and Certified Realtime  
Reporter.

- - -

GOLKOW LITIGATION SERVICES  
877.370.3377 ph | 917.591.5672 fax  
deps@golkow.com

## Highly Confidential - Subject to Further Confidentiality Review

Page 2	Page 4
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Page 3	Page 5
<p>1 REED SMITH LLP</p> <p>2 BY: BRIAN HIMMEL, ESQUIRE</p> <p>3 bhimmel@reedsmith.com</p> <p>4 Reed Smith Centre</p> <p>5 225 Fifth Avenue</p> <p>6 Pittsburgh, Pennsylvania 15222</p> <p>7 (412) 288-3131</p> <p>8 Counsel for AmerisourceBergen</p> <p>9</p> <p>10 BARTLIT BECK HERMAN PALENCHAR &amp;</p> <p>11 SCOTT LLP</p> <p>12 BY: HAMILTON HILL, ESQUIRE</p> <p>13 hamilton.hill@bartlit-beck.com</p> <p>14 ALEX J HARRIS, ESQUIRE</p> <p>15 alex.harris@bartlit-beck.com</p> <p>16 54 West Hubbard Street, Suite 300</p> <p>17 Chicago, Illinois 60654</p> <p>18 (312) 494-4475</p> <p>19 Counsel for Walgreens</p> <p>20</p> <p>21 JONES DAY</p> <p>22 BY: MARK DEMONTE, ESQUIRE</p> <p>23 mdemonte@jonesday.com</p> <p>24 77 West Wacker</p> <p>25 Chicago, Illinois 60601-1692</p> <p>(312) 782-3939</p> <p>Counsel for Walmart</p> <p>PELINI, CAMPBELL &amp; WILLIAMS LLC</p> <p>BY: PAUL B RICARD</p> <p>pbricard@pelini-law.com</p> <p>8040 Cleveland Avenue NW, Suite 400</p> <p>North Canton, Ohio 44720</p> <p>(330) 305-6400</p> <p>Counsel for Prescription Supply,</p> <p>Inc</p>	<p>1 INDEX</p> <p>2 PAGE</p> <p>3 APPEARANCES..... 2</p> <p>4 EXAMINATIONS</p> <p>5 BY MR. SHKOLNIK..... 10</p> <p>6 BY MR. HILL..... 391</p> <p>7 BY MR. SHKOLNIK..... 406</p> <p>8 BY MR. HILL..... 410</p> <p>9</p> <p>10 EXHIBITS</p> <p>11 No. Description Page</p> <p>12 Walgreens Steven Mills LinkedIn profile 35</p> <p>13 Mills 1 printout</p> <p>14 Walgreens September 27, 2006 letter to 54</p> <p>15 Mills 2 registrants from the US</p> <p>16 Department of Justice, Drug</p> <p>17 Enforcement Administration,</p> <p>18 ABDCMDL00269691 -</p> <p>19 ABDCMDL00269694</p> <p>20 Walgreens US Department of Justice, Drug 82</p> <p>21 Mills 3 Enforcement Administration</p> <p>22 February 7, 2007 letter to</p> <p>23 registrants,</p> <p>24 ABDCMDL00269687 -</p> <p>25 ABDCMDL00269690</p> <p>Walgreens US Department of Justice, Drug 86</p> <p>Mills 4 Enforcement Administration</p> <p>December 27, 2007 letter to</p> <p>registrants,</p> <p>ABDCMDL00269685 -</p> <p>ABDCMDL0026966</p>

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Page 6	Page 8
<p>1 Walgreens US Department of Justice, Drug 109 Mills 5 Enforcement Administration June 2 12, 2012 letter to registrants, ABDCMDL00269683 - 3 ABDCMDL0026964 4 Walgreens Settlement and Memorandum of 120 Mills 6 Agreement, P-WAG-0001 5 6 Walgreens E-mail(s), 155 7 Mills 7 WAGMDL00308265 - WAGMDL00308266 8 Walgreens E-mail(s), 183 9 Mills 8 WAGMDL00308192 - WAGMDL00308212 10 11 Walgreens E-mail(s), 189 12 Mills 9 WAGMDL00308327 - WAGMDL00308349 13 Walgreens E-mail(s), 198 14 Mills 10 WAGMDL00060739 - WAGMDL00060764 15 16 Walgreens E-mail(s), 238 17 Mills 11 WAGMDL00303383 - WAGMDL00303384 18 Walgreens E-mail(s), 261 19 Mills 12 WAGMDL00245867 - 20 WAGMDL00245879; WAGMDL00245916 21 - WAGMDL00245920 22 23 Walgreens E-mail(s), 285 24 Mills 13 WAGMDL00299885 - WAGMDL00299888 25 Walgreens E-mail(s), 296 Mills 14 WAGMDL00312091 - WAGMDL00312093 26 27 Walgreens E-mail(s), 299 28 Mills 15 WAGMDL00414048 - WAGMDL00414049 29 Walgreens E-mail(s), 315 30 Mills 16 WAGMDL00060931 - WAGMDL00060933 31 32 Walgreens E-mail(s), 326 33 Mills 17 WAGMDL00056871 - WAGMDL00056876 34 Walgreens E-mail(s), 330 35 Mills 18 WAGMDL00108483 - WAGMDL00108485 36 37 Walgreens E-mail(s), 337 38 Mills 19 WAGMDL00107173 - WAGMDL00107177</p>	<p>1 VIDEOGRAPHER: We are now on 2 record. 3 My name is Michael Newell. I'm 4 a videographer for Golkow Litigation 5 Services. 6 Today's date is November 8, 7 2018, and the time is 9:07 a.m. 8 This video deposition is being 9 held in Chicago, Illinois, in the 10 matter of National Prescription Opiate 11 Litigation. 12 The deponent is Steve Mills. 13 Will counsel please identify 14 themselves. 15 MR. SHKOLNIK: Hunter Shkolnik 16 on behalf of the MDL plaintiffs. 17 MR. CIACCIO: Joseph Ciaccio on 18 behalf of MDL plaintiffs. 19 MR. MOUGEY: Peter Mougey on 20 behalf of the MDL plaintiffs. 21 MR. RICARD: Paul Ricard, 22 Prescription Supply, Inc. 23 MR. HIMMEL: Brian Himmel for 24 AmerisourceBergen. 25 MR. BUSHUR: Joseph Bushur for</p>
Page 7	Page 9
<p>1 Walgreens E-mail(s), 340 2 Mills 20 WAGMDL00107557 - WAGMDL00107565 3 4 Walgreens E-mail(s), 350 5 Mills 21 WAGMDL00107267 - WAGMDL00107271 6 Walgreens E-mail(s), 354 7 Mills 22 WAGMDL00059074 - WAGMDL00059081 8 9 Walgreens E-mail(s), 362 10 Mills 23 WAGMDL00413949 - WAGMDL00413950 11 Walgreens E-mail(s), 364 12 Mills 24 WAGMDL00107384 - WAGMDL00107386 13 14 Walgreens E-mail(s), 366 15 Mills 25 WAGMDL00107468 - WAGMDL00107469 16 Walgreens E-mail(s), 372 17 Mills 26 WAGMDL00110737 - WAGMDL00110738 18 19 Walgreens E-mail(s), 375 20 Mills 27 WAGMDL00244813 - WAGMDL00244815 21 Walgreens E-mail(s), 377 22 Mills 28 WAGMDL00102390 - WAGMDL00102392 23 24 Walgreens E-mail(s), 383 25 Mills 29 WAGMDL00414646 - WAGMDL00414648 26 Walgreens E-mail(s), 388 27 Mills 30 WAGMDL00062061 28 29 (Exhibits attached to the deposition ) 30 31 32 33 34 35</p>	<p>1 Cardinal Health. 2 MR. DEMONTE: Mark DeMonte for 3 Walmart. 4 MR. HARRIS: Alex Harris for 5 Walgreens. 6 MR. HILL: Hamilton Hill for 7 Walgreens. 8 VIDEOGRAPHER: The court 9 reporter today is Carrie Campbell and 10 will now swear in the witness. 11 MR. BARRIENTOS: Alejandro 12 Barrientos for McKesson. 13 MR. HILL: Anyone else on the 14 phone? 15 MR. LADD: Matthew Ladd, Morgan 16 Lewis, representing Rite Aid. 17 MR. SHKOLNIK: Say that one 18 again, please. 19 MR. LADD: Matthew Ladd from 20 Morgan, Lewis &amp; Bockius representing 21 defendant Rite Aid. 22 MR. HENNESSY: And this is Sean 23 Hennessy from Arnold &amp; Porter 24 representing the Endo and Par 25 Pharmaceutical defendants.</p>

Highly Confidential - Subject to Further Confidentiality Review

Page 10	Page 12
<p>1 MR. ERB: And this is Chip Erb 2 with Cavitch, Familo &amp; Durkin 3 representing Discount Drug Mart. 4 MR. WEEKS: Paul Weeks for 5 Allergan Finance. 6 MS. KLOCKENGA: Jodi Klockenga 7 with Napoli Shkolnik. 8 MS. MITCHELL: Wendy Mitchell 9 with Napoli Shkolnik. 10 11 STEVEN MILLS, 12 of lawful age, having been first duly sworn 13 to tell the truth, the whole truth and 14 nothing but the truth, deposes and says on 15 behalf of the Plaintiffs, as follows: 16 17 DIRECT EXAMINATION 18 QUESTIONS BY MR. SHKOLNIK: 19 Q. Mr. Mills, my name is Hunter 20 Shkolnik. I'm going to be asking you a 21 series of questions here today, but anytime 22 you don't understand me, please let me know. 23 I have a tendency to sometimes 24 talk fast. Usually by the time it starts 25 affecting you, the court reporter usually</p>	<p>1 epidemic developing in the United States? 2 A. I have an understanding, yes. 3 Q. When did you first become aware 4 that there was an opioid epidemic developing 5 in the United States? 6 MR. HILL: Object to the form. 7 THE WITNESS: 2012. 8 QUESTIONS BY MR. SHKOLNIK: 9 Q. So what happened in 2012 that 10 made you come to a realization that there was 11 an opioid epidemic in the United States? 12 A. There was a creation of the RX 13 integrity team, which I'm currently a member 14 of. 15 Q. And prior to 2012, were you 16 involved in any capacity with prescription 17 integrity at Walgreens? 18 MR. HILL: Object to the form. 19 THE WITNESS: No. 20 QUESTIONS BY MR. SHKOLNIK: 21 Q. Was prescription integrity a 22 new department that was developed at some 23 point in time at Walgreens while you were 24 there? 25 A. Yes.</p>
Page 11	Page 13
<p>1 throws something at me and stops me. But if 2 at any time I start going too fast, just tell 3 me to slow down. 4 If you don't understand a 5 question, let me know. I try my best, but 6 every once in a while I do ask a bad 7 question. So if you don't understand it, 8 just say. I'll rephrase the question. 9 Okay? 10 A. Okay. 11 Q. And whenever there's a 12 question, it has to be a verbal answer. A 13 nod doesn't -- doesn't help. May show up on 14 the video but not on the transcript. 15 Okay? 16 A. Got it. 17 Q. Sir, you work for Walgreens at 18 the current time? 19 A. I do. 20 Q. And how long have you worked 21 for Walgreens? 22 A. The past 13 years. 23 Q. So over the 13 years you've 24 been working at Walgreens, do you have an 25 understanding that there was an opioid</p>	<p>1 Q. So before the company developed 2 prescription integrity department -- withdraw 3 that. 4 Was it called the prescription 5 integrity department? 6 A. Pharmaceutical integrity. 7 Q. Okay. Pharmaceutical integrity 8 department. 9 Prior to the development of the 10 pharmaceutical integrity department at 11 Walgreens in 2012, was there any other 12 department in existence at Walgreens that had 13 the same responsibilities as the now new 14 pharmaceutical integrity group -- 15 MR. HILL: Object to the form. 16 QUESTIONS BY MR. SHKOLNIK: 17 Q. -- or department? 18 A. I don't know. 19 Q. Did you do anything prior to 20 2012 in terms of pharmaceutical -- 21 pharmaceutical integrity work, the type 22 you're doing after 2012 prior to 2012? 23 A. No. 24 Q. What type of work did you do 25 before 2012?</p>

4 (Pages 10 to 13)

Highly Confidential - Subject to Further Confidentiality Review

Page 14	Page 16
<p>1 A. Prior to 2012, I was working in</p> <p>2 the pharmacy inventory group where we manage</p> <p>3 item vendor catalog setup so our stores can</p> <p>4 order product accordingly. If the item's not</p> <p>5 set up, then our stores don't have the</p> <p>6 ability to order it per our ordering system.</p> <p>7 Q. Was there any specific aspect</p> <p>8 of that job that dealt with opioids or</p> <p>9 Class II, Class III pharmaceuticals?</p> <p>10 A. Can you rephrase your question?</p> <p>11 Q. Sure.</p> <p>12 Was any aspect of your job</p> <p>13 prior to 2012 dealing with the distribution</p> <p>14 of opioids?</p> <p>15 A. To answer your question, yes, I</p> <p>16 would be responsible for setting up items to</p> <p>17 be available for ordering through our catalog</p> <p>18 for opioids, C-II, C-III. I believe that's</p> <p>19 what you're asking.</p> <p>20 Q. Okay. Tell me what you did</p> <p>21 with respect to setting up and cataloging of</p> <p>22 opioid, C-II, C-III, drugs prior to 2012.</p> <p>23 A. So it would be logging into a</p> <p>24 computer system, to a web UI, setting up the</p> <p>25 NDC codes, setting up the UPC numbers and</p>	<p>1 Q. Like the co-op programs they</p> <p>2 had back then?</p> <p>3 A. I didn't take advantage of any</p> <p>4 programs.</p> <p>5 Q. So you've been with Walgreens</p> <p>6 ever since Northeastern up until the present</p> <p>7 time?</p> <p>8 A. Yes.</p> <p>9 Q. Now, going back to the issue of</p> <p>10 opioid epidemic, tell me what it was that</p> <p>11 triggered in your mind that 2012 there was an</p> <p>12 opioid epidemic in the United States.</p> <p>13 MR. HILL: Object to the form.</p> <p>14 THE WITNESS: Due to the</p> <p>15 information that was available around</p> <p>16 the DEA visits to our Jupiter DCs</p> <p>17 around opioid dispensing.</p> <p>18 QUESTIONS BY MR. SHKOLNIK:</p> <p>19 Q. And other than the fact that</p> <p>20 the DEA came down on Walgreens through its</p> <p>21 Jupiter distribution facility, you had not</p> <p>22 been aware that there was a problem with</p> <p>23 opioids in the United States and it was at</p> <p>24 epidemic level before that?</p> <p>25 MR. HILL: Object to the form.</p>
Page 15	Page 17
<p>1 then loading that into our ordering system so</p> <p>2 stores would be able to get replenishment.</p> <p>3 Q. So it was a job that focused</p> <p>4 more on the logistics aspect of the</p> <p>5 pharmaceutical side of the company or just --</p> <p>6 withdraw that.</p> <p>7 So was your job dealing more</p> <p>8 with logistics, making sure that product was</p> <p>9 available and product could be shipped?</p> <p>10 A. Nothing to do with product</p> <p>11 availability.</p> <p>12 Q. Okay.</p> <p>13 A. It was more data entry and item</p> <p>14 maintenance.</p> <p>15 Q. What is your background in</p> <p>16 terms of education, sir?</p> <p>17 A. Communications degree from</p> <p>18 Northeastern University.</p> <p>19 Q. And when you were at</p> <p>20 Northeastern, did you work for Walgreens as</p> <p>21 part of any of the -- they have the work</p> <p>22 study programs there. Did you start with</p> <p>23 Walgreens back then?</p> <p>24 A. I started with Walgreens while</p> <p>25 I was in college, yes.</p>	<p>1 Assumes facts.</p> <p>2 THE WITNESS: I don't know. It</p> <p>3 wasn't part of my job responsibilities</p> <p>4 prior.</p> <p>5 QUESTIONS BY MR. SHKOLNIK:</p> <p>6 Q. Well, I mean, did people talk</p> <p>7 about it at Walgreens prior to 2012, there's</p> <p>8 an opioid problem in the United States?</p> <p>9 MR. HILL: Object to the form.</p> <p>10 THE WITNESS: I can't remember.</p> <p>11 QUESTIONS BY MR. SHKOLNIK:</p> <p>12 Q. Did you know any people that</p> <p>13 had suffered from the ill effects of opioids</p> <p>14 prior to 2012?</p> <p>15 A. No.</p> <p>16 Q. Prior to 2012, to your</p> <p>17 knowledge, did -- withdraw that.</p> <p>18 Part of your job is suspicious</p> <p>19 order monitoring work; am I correct?</p> <p>20 MR. HILL: Object to the form.</p> <p>21 THE WITNESS: That is a part of</p> <p>22 my job, yes.</p> <p>23 QUESTIONS BY MR. SHKOLNIK:</p> <p>24 Q. Prior to 2012, had you ever</p> <p>25 heard of the phrase "suspicious order</p>

5 (Pages 14 to 17)



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Page 18	Page 20
<p>1 monitoring?"</p> <p>2 A. No.</p> <p>3 Q. Prior to 2012, did you have any</p> <p>4 knowledge of any of the requirements that</p> <p>5 applied to Walgreens regarding monitoring of</p> <p>6 the dispensing of C-II or C-III</p> <p>7 pharmaceuticals?</p> <p>8 A. No.</p> <p>9 Q. Prior to 2012, did you have any</p> <p>10 experience whatsoever with the Walgreens</p> <p>11 responsibility regarding the distribution of</p> <p>12 opioids?</p> <p>13 A. No.</p> <p>14 Q. Prior to 2012, did you have any</p> <p>15 training whatsoever in the proper oversight</p> <p>16 of suspicious orders and distribution in</p> <p>17 Walgreens?</p> <p>18 MR. HILL: Object to the form.</p> <p>19 THE WITNESS: No.</p> <p>20 QUESTIONS BY MR. SHKOLNIK:</p> <p>21 Q. When in 2012 did you first get</p> <p>22 any training on what is known as suspicious</p> <p>23 order monitoring in the distribution chain of</p> <p>24 opioids or C-II, C-III --</p> <p>25 MR. HILL: Object to the form.</p>	<p>1 Q. Yeah.</p> <p>2 MR. HILL: Object to the form.</p> <p>3 THE WITNESS: It was just two</p> <p>4 of us at the moment.</p> <p>5 QUESTIONS BY MR. SHKOLNIK:</p> <p>6 Q. Who was the other person?</p> <p>7 A. Tasha Polster.</p> <p>8 Q. And she was your superior at</p> <p>9 that time?</p> <p>10 A. Yes.</p> <p>11 Q. Is she still -- I'm not saying</p> <p>12 it in a negative way. She's a direct report</p> <p>13 up?</p> <p>14 A. At that moment she was.</p> <p>15 Q. Now she's two up; am I correct?</p> <p>16 A. Yes.</p> <p>17 Q. So for the year 2012, let's</p> <p>18 talk from January until December, you had no</p> <p>19 involvement whatsoever with any aspect of</p> <p>20 opioid suspicious order monitoring at</p> <p>21 Walgreens?</p> <p>22 MR. HILL: Object to the form.</p> <p>23 THE WITNESS: I can't remember.</p> <p>24 QUESTIONS BY MR. SHKOLNIK:</p> <p>25 Q. Is it possible it may have been</p>
Page 19	Page 21
<p>1 QUESTIONS BY MR. SHKOLNIK:</p> <p>2 Q. -- pharmaceuticals?</p> <p>3 MR. HILL: Object to the form.</p> <p>4 THE WITNESS: It was once we</p> <p>5 established the ground rules of the</p> <p>6 creation of the RX integrity -- or</p> <p>7 pharmaceutical integrity team that</p> <p>8 those ground rules were kind of set.</p> <p>9 QUESTIONS BY MR. SHKOLNIK:</p> <p>10 Q. Was that in June of 2012?</p> <p>11 A. No. The team officially was</p> <p>12 created in December of 2012.</p> <p>13 Q. So in essence, your first</p> <p>14 experience with anything related to</p> <p>15 suspicious order monitoring and distribution</p> <p>16 of opioids didn't occur until the last month</p> <p>17 of December 2012 at Walgreens?</p> <p>18 A. Yes.</p> <p>19 Q. How many other people were</p> <p>20 joined together into this prescription</p> <p>21 integrity group in 2012?</p> <p>22 A. Are you speaking currently</p> <p>23 or --</p> <p>24 Q. No, then.</p> <p>25 A. Then?</p>	<p>1 a day or two before December? Is that the</p> <p>2 issue?</p> <p>3 A. Yeah, there could have been --</p> <p>4 the timing.</p> <p>5 Q. Okay. When you started with</p> <p>6 suspicious order monitoring -- withdraw that.</p> <p>7 When you started with the</p> <p>8 integrity group, did you -- did you sit down</p> <p>9 with Ms. Polster and say, "Why are we doing</p> <p>10 this now? Why are we starting this process</p> <p>11 now?"</p> <p>12 A. No, that conversation never</p> <p>13 happened.</p> <p>14 Q. Did you have an understanding</p> <p>15 as to why it was starting then versus years</p> <p>16 before?</p> <p>17 A. Yes.</p> <p>18 MR. HILL: Object to the form.</p> <p>19 QUESTIONS BY MR. SHKOLNIK:</p> <p>20 Q. What was your understanding?</p> <p>21 Could you tell the Court and jury?</p> <p>22 A. Due to the investigation the</p> <p>23 DEA had performed at our Jupiter DC and the</p> <p>24 seizure of licensure at six of our locations</p> <p>25 in Florida, our team was created to ever</p>

6 (Pages 18 to 21)

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<p style="text-align: right;">Page 22</p> <p>1 prevent anything like this from happening 2 again. 3 Q. Okay. And was there also an 4 investigation on the facility in Ohio at the 5 same time but they hadn't seized it? 6 MR. HILL: Object to the form. 7 Foundation. 8 THE WITNESS: I don't know. 9 QUESTIONS BY MR. SHKOLNIK: 10 Q. And when you first got together 11 with Ms. Polster, did you ask her, "What did 12 we do at Walgreens before 2000 -- 13 December 2012 in terms of suspicious order 14 monitoring since we're now going to implement 15 the program for going forward?" 16 A. I can't remember if I ever had 17 that conversation. 18 Q. Well, did you ever undertake 19 any investigation on your own to say, "What 20 were we doing to monitor suspicious orders in 21 our company before I got charged with that 22 job?" 23 MR. HILL: Object to the form. 24 THE WITNESS: No. 25</p>	<p style="text-align: right;">Page 24</p> <p>1 Foundation. 2 THE WITNESS: Yes. 3 QUESTIONS BY MR. SHKOLNIK: 4 Q. I mean, that's your 5 responsibilities for the company, to do that 6 as best as you can, correct? 7 MR. HILL: Same objections. 8 THE WITNESS: Yes. 9 QUESTIONS BY MR. SHKOLNIK: 10 Q. And your team of two people 11 grew after December of 2012, correct? 12 A. Yes. 13 Q. Now, over the period of time 14 after 2012, did you continue to have some 15 further understanding that the epidemic in 16 the United States, the opioid epidemic, was 17 growing -- a growing problem? 18 MR. HILL: Object to the form. 19 THE WITNESS: Just from what 20 I've noticed in the news. 21 QUESTIONS BY MR. SHKOLNIK: 22 Q. Did you notice that any 23 other -- that any companies were implicated 24 or in some way referenced as being part of 25 the cause of the epidemic?</p>
<p style="text-align: right;">Page 23</p> <p>1 QUESTIONS BY MR. SHKOLNIK: 2 Q. Was it your understanding that 3 there were some failures on the part of 4 Walgreens in terms of suspicious order 5 monitoring for opioids prior to 2012? 6 A. Yes, that is my understanding. 7 Q. And I take it you took it very 8 seriously, when you were assigned to this new 9 team, to make sure those type of failures 10 didn't happen again, correct? 11 A. Correct. 12 Q. And that was the goal of the 13 integrity team: Let's put something in place 14 that's not going to let these prior failures 15 happen again. 16 MR. HILL: Object to the form. 17 THE WITNESS: Correct. 18 QUESTIONS BY MR. SHKOLNIK: 19 Q. And would it be fair to say 20 that from that point on, when you got 21 involved, you have done your best to make 22 sure that Walgreens adheres to the -- the 23 letter of the law in terms of suspicious 24 order monitoring as best as you could? 25 MR. HILL: Object to the form.</p>	<p style="text-align: right;">Page 25</p> <p>1 MR. HILL: Same objection. 2 THE WITNESS: Just what I've 3 noticed in the news and in reading. 4 QUESTIONS BY MR. SHKOLNIK: 5 Q. I understand. 6 So tell me some of the 7 companies that you came to understand were 8 sort of implicated in this opioid epidemic 9 developing. 10 MR. HILL: Object to the form 11 and calls for speculation. 12 THE WITNESS: Nothing really 13 stands out at the moment. That was 14 several years ago. I can't recall. 15 QUESTIONS BY MR. SHKOLNIK: 16 Q. How about Purdue Pharma? Does 17 that name ring any bells that may have been a 18 factor in developing the epidemic, the opioid 19 epidemic? 20 MR. HILL: Same objections. 21 THE WITNESS: I know that they 22 manufacture OxyContin. That's a very 23 potent opioid. 24 QUESTIONS BY MR. SHKOLNIK: 25 Q. You've also come to know that</p>

7 (Pages 22 to 25)

Highly Confidential - Subject to Further Confidentiality Review

Page 26	Page 28
<p>1 that was also an opioid that has been linked 2 to abuse, correct? 3 MR. HILL: Same objection. 4 THE WITNESS: Yes, these 5 medications can be abused. 6 QUESTIONS BY MR. SHKOLNIK: 7 Q. But specifically the OxyContin 8 from Purdue, that was one that's been 9 implicated as being connected with abuse and 10 the opioid epidemic, correct? 11 MR. HILL: Object to the form. 12 Calls for speculation. 13 THE WITNESS: I've heard their 14 name referenced in news articles, yes. 15 QUESTIONS BY MR. SHKOLNIK: 16 Q. How about Mallinckrodt; do you 17 know that company? 18 A. Yes. 19 Q. And do you know they make 20 generic versions and brand versions of 21 opioids? 22 A. Yes. 23 Q. And do you know that that 24 company has been implicated in terms of the 25 opioid epidemic as one of the companies</p>	<p>1 suspicious order monitoring and the 2 prescription integrity responsibility, do you 3 have an understanding on -- as to why you 4 have to monitor the opioid distribution in 5 that department? 6 MR. HILL: Object to the form. 7 QUESTIONS BY MR. SHKOLNIK: 8 Q. What's your understanding of 9 your job? 10 MR. HILL: Objection. 11 Compound. 12 MR. SHKOLNIK: I'll rephrase 13 the question. 14 QUESTIONS BY MR. SHKOLNIK: 15 Q. What's your understanding of 16 your job in the prescription integrity group 17 in terms of suspicious order monitoring and 18 why you do it? 19 MR. HILL: Same objection. 20 THE WITNESS: My position in 21 the team is to ensure that we impose 22 specific limits on specific drugs to 23 ensure that there isn't a -- that no 24 one -- one store is getting an 25 overload of medication.</p>
Page 27	Page 29
<p>1 involved in the cause? 2 MR. HILL: Object to the form. 3 Calls for speculation. 4 THE WITNESS: I can't recall if 5 I ever read any specific articles 6 about Mallinckrodt. 7 QUESTIONS BY MR. SHKOLNIK: 8 Q. Any other companies while we're 9 sitting here that may ring -- you know, now 10 that we've been talking about it that may 11 have been implicated in the opioid epidemic? 12 A. Maybe Watson. That's the only 13 one I can -- kind of comes to my mind. 14 Q. How about McKesson, the 15 distributor? 16 MR. HILL: Same objections. 17 QUESTIONS BY MR. SHKOLNIK: 18 Q. Did that ever come up in terms 19 of your knowledge of companies being somehow 20 connected to failures and suspicious order 21 monitoring as it related to the opioid 22 epidemic? 23 A. I don't recall reading about 24 McKesson. 25 Q. Okay. Now, in terms of</p>	<p>1 So we put limits and processes 2 in place to ensure that if -- stores 3 don't get too much product. 4 QUESTIONS BY MR. SHKOLNIK: 5 Q. Why wouldn't you want a store 6 to get too much product? Wouldn't it be a 7 good thing from a corporate perspective to 8 make sure there's plenty of product on hand? 9 MR. HILL: Object to the form. 10 Foundation. 11 THE WITNESS: I don't know. 12 QUESTIONS BY MR. SHKOLNIK: 13 Q. Is it possible that if a store 14 has too much product on hand, it may result 15 in diversion of the drug into inappropriate 16 streams? 17 MR. HILL: Object to the form. 18 Foundation. 19 THE WITNESS: I don't know. 20 QUESTIONS BY MR. SHKOLNIK: 21 Q. So as part of the training for 22 the prescription integrity group, no one ever 23 sat down and said, "We're doing this for some 24 specific reason, our job is for a reason, 25 other than to make sure drugstores don't have</p>

8 (Pages 26 to 29)



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<p style="text-align: right;">Page 30</p> <p>1 too many pills on hand."  2 Other than that, did anyone  3 tell you anything else?  4 MR. HILL: Object to the form.  5 THE WITNESS: We were told  6 that, you know, we need to make sure  7 that the medication is being dispensed  8 to the legitimate patients, and the  9 stores that have the legitimate  10 patients are getting the legitimate  11 product.  12 QUESTIONS BY MR. SHKOLNIK:  13 Q. And one of the problems is if  14 there's too many pills at a store or a store  15 is getting too much, there's a possibility  16 the pills may end up in the hands of  17 inappropriate users; is that a fair  18 statement?  19 MR. HILL: Object to the form.  20 Speculation.  21 THE WITNESS: No.  22 QUESTIONS BY MR. SHKOLNIK:  23 Q. So, really, it doesn't make a  24 difference if too many pills were sitting in  25 the pharmacy; is that a fair statement?</p>	<p style="text-align: right;">Page 32</p> <p>1 THE WITNESS: My role is to  2 make sure that the legitimate patients  3 receive the medication for their  4 legitimate medical needs.  5 QUESTIONS BY MR. SHKOLNIK:  6 Q. And the converse of that is,  7 your job's responsibility is to make sure the  8 illegitimate users don't get those pills  9 through your pharmacies, correct?  10 MR. HILL: Same objection.  11 THE WITNESS: Correct.  12 QUESTIONS BY MR. SHKOLNIK:  13 Q. And one of the ways of doing  14 that is to closely monitor how many pills are  15 being distributed out of a distribution  16 center to an individual pharmacy and whether  17 or not that pharmacy is following proper  18 procedures in terms of dispensing those  19 drugs; fair statement?  20 A. Yes.  21 Q. And that's part of your  22 responsibility in pharmacy integrity?  23 A. Yes.  24 Q. And there's another group that  25 you work kind of hand-in-hand with that's --</p>
<p style="text-align: right;">Page 31</p> <p>1 MR. HILL: Object to the form.  2 THE WITNESS: No.  3 QUESTIONS BY MR. SHKOLNIK:  4 Q. If a pharmacy is -- I mean,  5 there has to be a reason why you want to  6 control how many pills end up in each one of  7 your pharmacies, other than for inventory  8 management; am I correct?  9 A. Yes.  10 Q. I mean, your job isn't designed  11 to say, "We don't want too many pills in  12 store X in Cleveland because they just happen  13 to have too many for an inventory purpose."  14 That's not your job, to monitor  15 that, correct?  16 MR. HILL: Object to the form.  17 THE WITNESS: No, that's not my  18 job.  19 QUESTIONS BY MR. SHKOLNIK:  20 Q. Your job is to make sure that  21 pharmacy in Cleveland doesn't have too many  22 pills on hand and those pills don't get into  23 the wrong hands from the pharmacy; fair  24 statement?  25 MR. HILL: Object to the form.</p>	<p style="text-align: right;">Page 33</p> <p>1 would that be the pharmacy -- is it a  2 management group? There's a group that  3 actually gets the pills distributed to the  4 stores?  5 A. We work closely with the  6 pharmacy inventory management group.  7 Q. Inventory management, I'm  8 sorry.  9 A. Okay.  10 Q. And would it be fair to say the  11 pharmacy inventory management group, their  12 goal is to get the pills into the stores to  13 make sure the stores are properly stocked at  14 all times, correct?  15 MR. HILL: Object to the form.  16 Foundation.  17 THE WITNESS: Their goal is to  18 ensure that the logic is in place for  19 reordering and making sure that  20 inventory replenishment is successful.  21 QUESTIONS BY MR. SHKOLNIK:  22 Q. And the pharmacy may say, "We  23 need pills," they go up through pharmacy  24 inventory management, but then your  25 department actually looks at that request and</p>

9 (Pages 30 to 33)

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Page 34

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1 determine whether or not inventory management  
2 should actually fulfill that order and send  
3 the pills to that pharmacy, correct?

4 A. No.

5 Q. So tell me where you come in in  
6 that process.

7 MR. HILL: Object to the form.

8 THE WITNESS: So if a store is  
9 looking to receive some additional  
10 product, they would contact our team.  
11 Pharmacy inventory does not involve --  
12 there's no involvement there.

13 QUESTIONS BY MR. SHKOLNIK:

14 Q. So it goes to your team first  
15 and then --

16 A. We make the determination if  
17 the product is warranted and should be  
18 fulfilled.

19 Q. Now, before your group got  
20 established in 2012, who did that project?

21 A. Pharmacy inventory management  
22 team.

23 Q. So the request would go  
24 straight to inventory management, and they  
25 would make the decision whether to ship it

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20 (Pages 74 to 77)

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28 (Pages 106 to 109)

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40 (Pages 154 to 157)

Highly Confidential - Subject to Further Confidentiality Review

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Page 161

1 simply what we called it.

2 QUESTIONS BY MR. SHKOLNIK:

3 Q. I mean, they could have called  
4 it a "didn't receive form," you know,  
5 "investigation of missing order form." A lot  
6 of other things they could have called it  
7 other than an override form, correct?

8 A. Possibly.

9 Q. I mean, this is basically  
10 telling the pharmacist, oops, I hit your  
11 limit, now submit a form asking for us to  
12 override it.

13 MR. HILL: Objection. Asked  
14 and answered three times now.

15 QUESTIONS BY MR. SHKOLNIK:

16 Q. Yeah, it's not telling them  
17 it's lost, it's understocked, it's a new  
18 drug. It's telling you, fill out an override  
19 form to get my pills, correct?

20 MR. HILL: Object to the form.

21 THE WITNESS: We simply call it  
22 the override form, but the override  
23 form can mean many different things.  
24 There's no definition that says,  
25 "you've hit your limit, fill out this

41 (Pages 158 to 161)

Highly Confidential - Subject to Further Confidentiality Review

Page 162	Page 164
<p>1       override form."</p> <p>2       QUESTIONS BY MR. SHKOLNIK:</p> <p>3       Q.   Well, let's read what it says.</p> <p>4       "The online form is for pharmacies that</p> <p>5       required large quantities of orders for any</p> <p>6       controlled substance C-II to C-V."</p> <p>7       Then it goes on and tells us</p> <p>8       what the process is. "The RX inventory</p> <p>9       receives the override form from RXS."</p> <p>10      Who's RXS?</p> <p>11      A.   At that time RXS was a pharmacy</p> <p>12      supervisor, so the store's direct supervisor.</p> <p>13      Q.   "RX inventory reviews the</p> <p>14      request based on the reason stated and</p> <p>15      approves or denies the request."</p> <p>16      There's no reference in here</p> <p>17      whatsoever that the override form is utilized</p> <p>18      for anything other than seeking large</p> <p>19      quantities of controlled pills, substance</p> <p>20      pills or drugs, correct?</p> <p>21      MR. HILL: Object to the form.</p> <p>22      THE WITNESS: There is no</p> <p>23      indication that it's only used for</p> <p>24      large quantity orders.</p> <p>25</p>	<p>1       warehouse being empty or any of those</p> <p>2       alternative items.</p> <p>3       That deals with whether or not</p> <p>4       it's a suspicious order and you hit your max,</p> <p>5       correct?</p> <p>6       A.   No.</p> <p>7       Q.   Okay. What does it have to do</p> <p>8       with?</p> <p>9       A.   There were reasons why we may</p> <p>10      deny a request. So, for instance, an item is</p> <p>11      on backorder or an item -- they had a</p> <p>12      computer glitch or whatever the issue is. If</p> <p>13      the quantity that we are receiving from the</p> <p>14      override request seems large or inappropriate</p> <p>15      for whatever reasons, we may deny those</p> <p>16      requests and then ask for specific</p> <p>17      information around good faith dispensing.</p> <p>18      Q.   So if it's a computer glitch,</p> <p>19      you're going to ask about good faith</p> <p>20      dispensing?</p> <p>21      A.   Possibly.</p> <p>22      Q.   Why?</p> <p>23      A.   Why not? It's our duty to</p> <p>24      perform our due diligence, right? So if</p> <p>25      there's some reason why that quantity doesn't</p>
Page 163	Page 165
<p>1       QUESTIONS BY MR. SHKOLNIK:</p> <p>2       Q.   Well, let's go down to the</p> <p>3       fourth bullet point. "Denied orders are sent</p> <p>4       back to RXS requesting more specific</p> <p>5       information that may include GFD."</p> <p>6       Good faith dispensing?</p> <p>7       A.   Correct.</p> <p>8       Q.   Does that have anything to do</p> <p>9       with not enough inventory in the warehouses</p> <p>10      or a computer glitch or anything like that?</p> <p>11      MR. HILL: Object to the form.</p> <p>12      You're mixing two concepts together.</p> <p>13      MR. SHKOLNIK: No, I'm not, and</p> <p>14      please do not do that. It has been a</p> <p>15      number of these speaking objections,</p> <p>16      which are frowned upon. In fact,</p> <p>17      Judge Polster was discussing it the</p> <p>18      other day, and I'd ask you not to do</p> <p>19      that.</p> <p>20      QUESTIONS BY MR. SHKOLNIK:</p> <p>21      Q.   So let me go back to my</p> <p>22      question.</p> <p>23      Denied orders are sent back to</p> <p>24      RXS. And it talks about GFD. GFD has</p> <p>25      nothing to do with computer malfunction, the</p>	<p>1       make sense, we may flag -- we may push back</p> <p>2       and ask for more information.</p> <p>3       Q.   So if it's a computer glitch,</p> <p>4       that means the quantity doesn't make sense?</p> <p>5       MR. HILL: Object to the form.</p> <p>6       THE WITNESS: We're speaking of</p> <p>7       the quantity on the override form.</p> <p>8       I'm not talking about a computer</p> <p>9       glitch. I'm talking about the</p> <p>10      quantity on the override form.</p> <p>11      QUESTIONS BY MR. SHKOLNIK:</p> <p>12      Q.   I'm still trying to get to the</p> <p>13      bottom of why you're calling it an override</p> <p>14      form if it's for a computer glitch or an</p> <p>15      empty warehouse, and you're not calling it</p> <p>16      something else.</p> <p>17      MR. HILL: Object to the form.</p> <p>18      QUESTIONS BY MR. SHKOLNIK:</p> <p>19      Q.   Sir, the form that is submitted</p> <p>20      when someone hits their threshold and still</p> <p>21      wants to get the drugs delivered to the</p> <p>22      pharmacy is an override form, correct?</p> <p>23      A.   An override form is what we</p> <p>24      call it. It can be used for multiple</p> <p>25      reasons.</p>

42 (Pages 162 to 165)

Highly Confidential - Subject to Further Confidentiality Review

<p style="text-align: right;">Page 166</p> <p>1 Q. I'm sure it could.</p> <p>2 But when they hit their max and</p> <p>3 they still want the drugs, they have to fill</p> <p>4 an override form?</p> <p>5 A. They may not be at their max.</p> <p>6 There might be a reason why an override form</p> <p>7 is required that doesn't require them to be</p> <p>8 at their max.</p> <p>9 Q. Then the next bullet point,</p> <p>10 "Once RXS has provided a detailed</p> <p>11 explanation" -- so that's the supervisor for</p> <p>12 the pharmacy -- "then RX inventory approves</p> <p>13 the order."</p> <p>14 So at this point, from</p> <p>15 June 2012 up until October, it's basically</p> <p>16 the inventory department that decides whether</p> <p>17 or not to ship or not --</p> <p>18 MR. HILL: Object to the form.</p> <p>19 QUESTIONS BY MR. SHKOLNIK:</p> <p>20 Q. -- correct?</p> <p>21 A. At this moment in time, we did</p> <p>22 not have the creation of pharmaceutical</p> <p>23 integrity, so it fell on the hands of the</p> <p>24 most appropriate group.</p> <p>25 Q. And at that point in time,</p>	<p style="text-align: right;">Page 168</p> <p>1 Foundation.</p> <p>2 THE WITNESS: I don't know.</p> <p>3 QUESTIONS BY MR. SHKOLNIK:</p> <p>4 Q. That's what it says there,</p> <p>5 doesn't it?</p> <p>6 A. I see the words, but I don't</p> <p>7 know anything about that.</p> <p>8 Q. I mean, we can only assume that</p> <p>9 when they signed this \$80 million deal, they</p> <p>10 were under -- they were stating accurately</p> <p>11 that their pharmacists were getting a bonus</p> <p>12 based upon how many controlled substance</p> <p>13 prescriptions they dispensed, correct?</p> <p>14 MR. HILL: Object to the form.</p> <p>15 Foundation.</p> <p>16 THE WITNESS: I don't know.</p> <p>17 QUESTIONS BY MR. SHKOLNIK:</p> <p>18 Q. If we can go back to Exhibit 7,</p> <p>19 please.</p> <p>20 So we have the inventory</p> <p>21 department approving the suspicious order</p> <p>22 overrides for the pharmacists at the store</p> <p>23 level who are getting bonuses based on how</p> <p>24 many pills they sold up to June of 2012 -- up</p> <p>25 through June 2012, correct?</p>
<p style="text-align: right;">Page 167</p> <p>1 pharmacists were receiving bonuses based on</p> <p>2 how many pills they were selling --</p> <p>3 MR. HILL: Object to the form.</p> <p>4 QUESTIONS BY MR. SHKOLNIK:</p> <p>5 Q. -- correct?</p> <p>6 MR. HILL: Sorry. Object to</p> <p>7 the form and foundation.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 QUESTIONS BY MR. SHKOLNIK:</p> <p>10 Q. Let's go back to Exhibit 6.</p> <p>11 Exhibit 6, page 12 of 343, paragraph</p> <p>12 number 6. "Beginning in 2014, Walgreens will</p> <p>13 exclude any accounting for controlled</p> <p>14 substance prescriptions dispensed by a</p> <p>15 particular pharmacy from bonus computations</p> <p>16 for pharmacists and pharmacy technicians at</p> <p>17 the pharmacy."</p> <p>18 So if my math is correct,</p> <p>19 June 2012 was before 2014, and at that point</p> <p>20 in time they were still calculating pharmacy</p> <p>21 bonuses based on -- bonus computations on</p> <p>22 accounting for controlled substance</p> <p>23 prescriptions being dispensed; fair</p> <p>24 statement?</p> <p>25 MR. HILL: Object to the form.</p>	<p style="text-align: right;">Page 169</p> <p>1 MR. HILL: Same objections.</p> <p>2 THE WITNESS: I don't know</p> <p>3 that.</p> <p>4 QUESTIONS BY MR. SHKOLNIK:</p> <p>5 Q. It's a good inference, is it</p> <p>6 not?</p> <p>7 MR. HILL: Same thing.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 QUESTIONS BY MR. SHKOLNIK:</p> <p>10 Q. If the company still had a</p> <p>11 bonus program in place where the pharmacist</p> <p>12 got a bonus on how many Schedule II through V</p> <p>13 controlled substance prescriptions they</p> <p>14 dispensed, based on what we're reading here</p> <p>15 as the policy for SOM in the overrides, it</p> <p>16 was inventory department that was approving</p> <p>17 the pharmacists' bonuses when they approved</p> <p>18 the overrides, correct?</p> <p>19 MR. HILL: Same objections.</p> <p>20 Compound.</p> <p>21 THE WITNESS: I don't know that</p> <p>22 to be accurate.</p> <p>23 QUESTIONS BY MR. SHKOLNIK:</p> <p>24 Q. Sir, it's exactly what it says</p> <p>25 on the document. In order to get it</p>

43 (Pages 166 to 169)

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<p style="text-align: right;">Page 170</p> <p>1 approved, someone in charge of inventory, the</p> <p>2 sales inventory of the company, was approving</p> <p>3 the bonuses for the sale of controlled</p> <p>4 substance pills at the pharmacy level; fair</p> <p>5 statement?</p> <p>6 MR. HILL: Same objections, and</p> <p>7 asked and answered.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 QUESTIONS BY MR. SHKOLNIK:</p> <p>10 Q. Do you think it's right for a</p> <p>11 pharmacist to get a bonus based on how many</p> <p>12 opioid pills they distribute?</p> <p>13 MR. HILL: Object to the form.</p> <p>14 THE WITNESS: I don't know.</p> <p>15 QUESTIONS BY MR. SHKOLNIK:</p> <p>16 Q. And you wouldn't like -- you</p> <p>17 don't approve of that yourself, do you?</p> <p>18 MR. HILL: Same objections.</p> <p>19 QUESTIONS BY MR. SHKOLNIK:</p> <p>20 Q. Forget about Walgreens.</p> <p>21 Yourself.</p> <p>22 Do you approve of the fact that</p> <p>23 a pharmacist would get a bonus on how many</p> <p>24 opioid pills they sell?</p> <p>25 MR. HILL: Same objections.</p>	<p style="text-align: right;">Page 172</p> <p>1 MR. HILL: Same objections.</p> <p>2 THE WITNESS: I don't know.</p> <p>3 QUESTIONS BY MR. SHKOLNIK:</p> <p>4 Q. Let's go down to the next</p> <p>5 section on Exhibit 7.</p> <p>6 Do you think it's a good idea</p> <p>7 to pay a bonus to a pharmacist to sell</p> <p>8 prescription opioids?</p> <p>9 MR. HILL: Same objections.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 QUESTIONS BY MR. SHKOLNIK:</p> <p>12 Q. I mean, we're not talking</p> <p>13 Pampers. We're not talking household</p> <p>14 products. We're talking addictive opioid</p> <p>15 pills.</p> <p>16 Do you think it's appropriate</p> <p>17 for a company to be paying the pharmacist a</p> <p>18 bonus for that by the pill?</p> <p>19 MR. HILL: Asked and answered</p> <p>20 many times.</p> <p>21 MR. SHKOLNIK: And it will be</p> <p>22 asked again.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 QUESTIONS BY MR. SHKOLNIK:</p> <p>25 Q. Let's go to history of SOM</p>
<p style="text-align: right;">Page 171</p> <p>1 THE WITNESS: I don't know.</p> <p>2 QUESTIONS BY MR. SHKOLNIK:</p> <p>3 Q. We know there was an opioid</p> <p>4 epidemic at least in 2012, according to your</p> <p>5 testimony, correct?</p> <p>6 MR. HILL: Object to the form.</p> <p>7 THE WITNESS: I was aware of an</p> <p>8 opioid epidemic.</p> <p>9 QUESTIONS BY MR. SHKOLNIK:</p> <p>10 Q. At that time?</p> <p>11 A. At that time.</p> <p>12 Q. And do you think getting a</p> <p>13 bonus on how many pills you could sell --</p> <p>14 when I say "pills," opioids. Do you think</p> <p>15 the incentive of getting a bonus for how many</p> <p>16 pills you sell may play a role in whether or</p> <p>17 not you dispense the drug and try to get</p> <p>18 overrides to get more of the drug to sell?</p> <p>19 MR. HILL: Object to the form.</p> <p>20 Foundation. Asked and answered.</p> <p>21 THE WITNESS: I don't know.</p> <p>22 QUESTIONS BY MR. SHKOLNIK:</p> <p>23 Q. Human nature, isn't it? You</p> <p>24 sell more pills, you make more money.</p> <p>25 Wouldn't that be an incentive to many people?</p>	<p style="text-align: right;">Page 173</p> <p>1 daily reporting.</p> <p>2 "Beginning October 2012,</p> <p>3 Cardinal Health has been providing a daily</p> <p>4 list of pharmacy orders that have triggered a</p> <p>5 SOM event from the previous order day. The</p> <p>6 SOM report is reviewed by RX inventory to</p> <p>7 identify any red-flagged Florida pharmacies</p> <p>8 blocked from ordering controlled substances.</p> <p>9 Also identified are any large orders that the</p> <p>10 system generated or manually keyed by the</p> <p>11 pharmacy that are not red-flag locations."</p> <p>12 First of all, do you know what</p> <p>13 a red flag means?</p> <p>14 A. Red flag can mean anything.</p> <p>15 Q. What did it mean in the sense</p> <p>16 of SOM daily reporting when you took over</p> <p>17 integrity in December of 2012?</p> <p>18 A. A red flag could be an order</p> <p>19 that was of interest.</p> <p>20 Q. Did you ever have any dealings</p> <p>21 with Cardinal over their SOM policy and the</p> <p>22 reporting to your company?</p> <p>23 A. Can you rephrase that question?</p> <p>24 Q. Yeah.</p> <p>25 Did you ever have any</p>

44 (Pages 170 to 173)

Highly Confidential - Subject to Further Confidentiality Review

Page 174	Page 176
<p>1 interaction with Cardinal Health in 2012 when 2 you took over -- when you and Tasha took over 3 pharmacy integrity about what their process 4 was when they were receiving orders from your 5 stores? 6 A. I don't know any -- I don't 7 have any information on what Cardinal was 8 doing. 9 Q. Was Cardinal a distributor that 10 was being utilized by the stores at that 11 time? 12 A. Yes, one of many. 13 Q. If Cardinal was the 14 distributor, was the order going through 15 inventory -- inventory management? 16 MR. HILL: Object to the form. 17 Foundation. 18 QUESTIONS BY MR. SHKOLNIK: 19 Q. In that time? 20 A. What time? I'm sorry. 21 Q. In the 2012 time frame before 22 you took over. 23 MR. HILL: Same objections. 24 THE WITNESS: Were orders being 25 transmitted to Cardinal; is that what</p>	<p>1 would refresh your recollection as to what 2 was done when you took over? 3 I mean, it seems like you don't 4 recall a lot of this stuff. I'm just trying 5 to figure out what I should be looking at. 6 MR. HILL: Object to the form. 7 MR. SHKOLNIK: I'll rephrase 8 it. 9 QUESTIONS BY MR. SHKOLNIK: 10 Q. Let's continue looking at this 11 document. 12 It says, "Cardinal Health is 13 providing daily lists of pharmacy orders that 14 have triggered SOM event from the previous 15 order day." 16 Would that be maybe something 17 that refreshes your recollection that 18 Cardinal Health was actually distributing to 19 your pharmacies beginning in October 2012? 20 MR. HILL: Object to the form. 21 THE WITNESS: They may have 22 been dispense -- or distributing, but 23 they -- I can't speculate on the drugs 24 that were flagged. 25</p>
Page 175	Page 177
<p>1 you're asking? 2 QUESTIONS BY MR. SHKOLNIK: 3 Q. No. No. 4 If a store needed -- needed 5 more opioids and they were utilizing Cardinal 6 Health as a distributor, would the order go 7 through pharmacy management, or would it go 8 directly from store to Cardinal back then? 9 MR. HILL: Same objections. 10 THE WITNESS: I can't recall. 11 QUESTIONS BY MR. SHKOLNIK: 12 Q. Were stores receiving 13 distribution from Cardinal and Walgreens 14 during the 2012 time frame? 15 A. I can't recall. 16 Q. Could a store get multiple -- 17 withdraw that. 18 Could stores have multiple 19 sources for opioids when you took over the 20 program? 21 MR. HILL: Object to the form. 22 THE WITNESS: I can't recall. 23 QUESTIONS BY MR. SHKOLNIK: 24 Q. Are there any documents 25 anywhere that would help -- that you think</p>	<p>1 QUESTIONS BY MR. SHKOLNIK: 2 Q. Oh, so this is possibly not 3 related to opioids; is that the issue? 4 A. Yes. 5 Q. Well, it goes on to show -- 6 say -- I'm sorry, it goes on to say, "Also 7 identified are any large orders that the 8 system generated, SIMS, or manually keyed by 9 the pharmacy that are not red-flag 10 locations." 11 Were you aware of red-flag 12 locations in Florida or around the country 13 when you took over? 14 A. Only the locations that were a 15 part of the seizure of the licensure in 16 Florida. 17 Q. "SOM daily report is filtered 18 to identify red-flag Florida stores. These 19 orders are reviewed by RX inventory to 20 determine how they were generated." 21 Would that be an indication 22 that these stores may have been requesting 23 fills or orders directly from Cardinal and 24 not going through inventory management? 25 MR. HILL: Object to the form.</p>

45 (Pages 174 to 177)



Highly Confidential - Subject to Further Confidentiality Review

Page 178	Page 180
<p>1 THE WITNESS: I want to make 2 sure I understand your question. 3 QUESTIONS BY MR. SHKOLNIK: 4 Q. Yeah. 5 A. The orders that were 6 identified? 7 Q. Yeah. 8 A. Were they placed directly to 9 Cardinal or placed through our system? 10 Q. Well, it says here they have to 11 do an investigation to see whether or not 12 the -- whether RX inventory -- you know, how 13 it was even generated, the request. 14 Is there a possibility that 15 back at that time when you took over these 16 pharmacies, the store level, were able to 17 just go straight to Cardinal and order these 18 opioids without going through inventory 19 management so no one in the company knew what 20 they were getting? 21 MR. HILL: Object to the form. 22 Foundation. 23 THE WITNESS: That's not how 24 the system -- ordering system works. 25 The ordering system, you can't</p>	<p>1 QUESTIONS BY MR. SHKOLNIK: 2 Q. How does it work? 3 MR. HILL: Same objection on 4 foundation. 5 THE WITNESS: The store would 6 place the order within the ordering 7 system, SIMS, S-I-M-S, SIMS. That 8 order is then forwarded to their 9 servicing DC, who completes the 10 required 222 form. That 222 form is 11 then mailed to the vendor, in this 12 case Cardinal. Cardinal would receive 13 that 222 form, fill the order and then 14 ship the order. 15 QUESTIONS BY MR. SHKOLNIK: 16 Q. And you say the DC. Is that 17 where -- the processing center? 18 A. Distribution center. 19 Q. Oh, distribution center, I'm 20 sorry. 21 So it would -- the request 22 would always go through a Walgreens 23 distribution center? 24 MR. HILL: Object to the 25 foundation.</p>
Page 179	Page 181
<p>1 order Control IIs or opioids through 2 Cardinal directly. 3 QUESTIONS BY MR. SHKOLNIK: 4 Q. Was that after you took over or 5 previously -- 6 A. Previously. 7 Q. -- before that? 8 A. Previously. 9 Q. So any order to Cardinal would 10 have gone through inventory management? 11 MR. HILL: Object to the form 12 and foundation. 13 THE WITNESS: It would have 14 gone through the ordering system. May 15 not necessarily need to go to RX 16 inventory for review. 17 QUESTIONS BY MR. SHKOLNIK: 18 Q. So it would go to the ordering 19 system, but from the ordering system they may 20 click on Cardinal and send the order directly 21 to Cardinal? 22 MR. HILL: Object to the form 23 and foundation. 24 THE WITNESS: No, it doesn't 25 work that way.</p>	<p>1 QUESTIONS BY MR. SHKOLNIK: 2 Q. Not that it'll be filled 3 through the distribution center. 4 A. Yes. Yes. Because they are 5 the POA for all of our stores. 6 Q. POA? 7 A. Power of attorney. 8 Q. And as you understand it, 9 there's no way that the pharmacy can go 10 directly to either an Anda or an ABC or a 11 Cardinal to fill an order for opioids absent 12 going directly through the SIM process into 13 Walgreens corporate? 14 MR. HILL: Object to the form. 15 THE WITNESS: They cannot. 16 QUESTIONS BY MR. SHKOLNIK: 17 Q. Or they should not, correct? 18 A. They cannot. 19 Q. They cannot? 20 A. Cannot. They need a 222 form. 21 Stores do not have 222 forms. 22 Q. And what is a 222 form, if you 23 could explain that? 24 A. It is a DEA form that is issued 25 to be able to transfer Control II, such as</p>

46 (Pages 178 to 181)

Highly Confidential - Subject to Further Confidentiality Review

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65 (Pages 254 to 257)

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70 (Pages 274 to 277)

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75 (Pages 294 to 297)

Highly Confidential - Subject to Further Confidentiality Review

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78 (Pages 306 to 309)

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80 (Pages 314 to 317)

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90 (Pages 354 to 357)

Highly Confidential - Subject to Further Confidentiality Review

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Highly Confidential - Subject to Further Confidentiality Review

Page 362

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3

4 marked for identification.)

5 QUESTIONS BY MR. SHKOLNIK:

6 Q. Mr. Mills, we're handing you

7 what has just been marked as Exhibit 23.

8 It's an e-mail from May of 2013, and at the

9 bottom there's an e-mail from Emily House.

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100 (Pages 394 to 397)

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101 (Pages 398 to 401)

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102 (Pages 402 to 405)

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103 (Pages 406 to 409)



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104 (Pages 410 to 413)

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105 (Pages 414 to 415)

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